## 2.2 Summary of the Invention

The Summary of the Invention is on the following page. This has no under-lining in accordance with USPTO practice. It is the same as the Abstract of the Disclosure. No new matter not supported by the original submission is added in the added paragraph. Because it was requested by the examiner, we show the added paragraph with underlining.

SUMMARY OF THE INVENTION

A regime switching vector autoregression (RS-VAR) is defined as a vector autoregression in which the parameters of the vector autoregression are functions of a set of discrete indices, which consitute the regimes. This process can be applied to interest rate models, default models, and other financial models. This can be done in the "objective" or P-measure or the risk-neutral or Q-measure of finance or other measures. One set of applications include calculation of prices, cashflows, capital, reserves, defaults, and other variables. Another set includes transactions using these including purchases and sales, producing and/or sending reports, advisory services, portfolio strategy, etc.

Typically, these applications involve using technical means such as computers or the internet. An additional class of applications are portfolios and financial products made with these methods.

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## 2.3   New Specification April 2008

A new specification was submitted April 2008. This contains the added paragraph to the Abstract of the Disclosure. This contains the Summary of the Invention, which is a copy of the Abstract of the Disclosure with the added paragraph. This new specification contains added pages to indicate to the examiner which sections start which. Note that the examiner in the Oct 2007 USPTO notice stated that the original submission was confusing as to which parts were which.

The USPTO however, had already published the original submission in its format properly identifying each part and placing it in their standard format for publishing a patent application.